GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:3580
ANSWERED ON:17.04.2000
FACILITIES TO INTERNET ACCESS PROVIDERS
SHIVAJI VITHALRAO KAMBLE

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `DOT proposes five year I-T holiday for net access providers` appearing in the `Economic Times` dated January 12, 2000;

(b) if so, the facts of the matter reported therein;

(c) the reaction of the Government thereto; and

(d) the details of financial implications of the proposals vis-Ã -vis growth prospects of the industry.

Answer

MINISTER OF STATE FOR COMMUNICATIONS
(SHRI TAPAN SIKDAR)

(a) & (b) Yes Sir. All the news items appearing in leading new-papers (especially financial newspapers), which have a bearing on policy issues, are duly considered as a part of budgetary exercise including the question of providing infrastructure status to Internet service providers.

(c) The question of including Internet Service Providers (ISPs) under the definition of Infrastructure facility` was duly considered by the Government and a decision was taken not to extend this definition to Internet service providers under the Income Tax Act. However, the benefit of duty concession on import of certain infrastructure equipment has been allowed to ISPs for establishing their network.

(d) As the financial implications of the proposal depend on number of service providers availing the benefit and the extent of profit, if any, derived by them, it is not possible to quantify the financial implications.